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not a general release.

The prime purpose of the Act of April 23, 1918, known as the Pittman Act, was to aid in conducting the World War by releasing silver dollars for use in relieving the currency crisis in British India. The situation in India was very acute. The natives of India would not accept paper roupees, demanded silver, and through enemy propaganda a situation was brought about whereby if Great Britain could not furnish silver money the Indian situation would have reached a stage which would have imperiled the Allied cause. Silver was not available in the world market. The only silver that could be used was dollar silver of the United States. It was to meet this crisis that the Act was passed. The Act was not intended as a bonus to silver producers, or to increase the number of silver dollars in the Treasury.

Since 1904 the Treasury had ceased to coin silver dollars. There were at the time the Pittman Act was passed two silver accounts in the Treasury: one, the silver dollars, and two, silver bullion in the subsidiary silver account for coining halves, quarters and dimes. New subsidiary coinage was made every year to meet the demands, and to supply the subsidiary coin account silver bullion was purchased after the solicitation of bids or at the market price where it was received by the Assay Offices mixed with any gold bullion, which under the law the Treasury was compelled to purchase. The melting down of silver dollars, therefore, and sale of the bullion to England for India would presumably, deprive the silver producers of this country of themselves selling silver,

and likewise the melting down of silver dollars and use of the silver bullion for silver coinage would mean that the Treasury was not in the market to buy the silver bullion for subsidiary coinage. The Act accordingly provided that the Treasury should repurchase at $1 an ounce the amount of silver necessary to recoin the silver dollars melted down and also to the extent that silver dollars were melted down and used for subsidiary coinage.

The pending bill is new legislation. It proposes to compel the Treasury to purchase 14,589,730.13 ounces of silver at $1 an ounce when the present price of silver is about 68¢ an ounce. This means the payment to the silver producers of a bonus of about $5,000,000. The excuse for the bill is that it construes the legal effect of the Pittman Act. If the proponents of the legislation have technical rights under the Pittman Act, they can secure them in the usual way, through the courts. When it comes to new legislation, however, the substance, and not the technical position, should be considered. Has the real purpose of the Act been accomplished?

Under the Pittman Act 270,232,722 silver dollars, amounting to 209,008,120 ounces of silver, were melted down, 200,418,390 ounces were sold to the British, and 8,589,730,13 ounces turned into the subsidiary silver account, as hereafter explained, and used for subsidiary silver, making a total of 209,008,120 ounces of silver. The Treasury has subsequently purchased from American silver producers at $1 an ounce 200,586,035 ounces, and there has been returned in kind from the subsidiary silver account 8,589,730.13 ounces, making a total of 209,175,765 ounces. When the reminting of silver dollars is completed there will

be the same number of silver dollars in existence as prior to the enactment of the Pittman Act. The silver dollar situation is, therefore, restored, as was contemplated by the Act. On a purely technical argument the pending bill proposes to require the purchase of 4,589,730.13 ounces of silver at $1 an ounce on account of a certain book transaction within the Treasury. Of the number of ounces required to be repurchased under the bill, 1,600,000 ounces were transferred from the Pittman silver account to the subsidiary silver account, with the intention later of using this silver to make subsidiary coinage. Before it was used, however, the transfer on the books was reversed and the silver was used, as originally intended, for coining silver dollars. As to 2,541,753.61 ounces, the intention was expressed to make the allocation for subsidiary silver, but before it was even transferred on the books the intention was reversed and this silver was used to make silver dollars. As to 4,341,753.61 ounces of silver, therefore, there is no claim that it was ever finally diverted from recoining silver dollars, but the proponents of the bill rely solely on a mere intention to use for a particular purpose which was recalled before the use was made.

With respect to the remaining 10,247,976.52 ounces of the amount referred to in the bill, the facts are these: The Treasury has several Mints and Assay Offices, all of which, of course, are a part of the Treasury and under the Director of the Mint. Silver bullion is received at the Assay Offices or Mints, but the coinage is done only at the Mints. At the time of the use of the 10,000,000 odd ounces of Pittman silver for subsidiary coinage, there was at all times on hand in the subsidiary account, exclusive of the Pittman silver allocated, over 12,000,000 ounces.

This silver bullion in the subsidiary silver account was, however, not conveniently located to the Mint where it was desired to make the subsidiary coinage, or the subsidiary silver bullion was not in refined form and there would be delay in obtaining refined bullion for subsidiary coinage. The Treasury, therefore, in effect borrowed about 10,000,000 ounces from the Pittman silver account, used this for subsidiary coinage and repaid it by returning to the Pittman silver account 10,000,000 ounces of silver bullion which were in the subsidiary silver account at the time the Pittman silver was borrowed. So far as the Treasury was concerned, this borrowing saved the Treasury the expense of transporting the subsidiary silver from the Assay Offices and Mints where it was then located to the Mint where the subsidiary coinage was being done and the delay of refining the subsidiary coinage bullion. If the Treasury had been willing to incur this expense and stand this delay, not a single additional ounce of silver, under any construction, would have been purchased from the silver producers. The action of the Treasury in this regard, therefore, could in no way affect the substance of the silver producers' rights under the Pittman Act.

The bill in Committee did not specify what use should be made of the 14,589,730.13 ounces to be repurchased at $1 an ounce, and the Treasury is uncertain to what purpose it should be devoted in the event the bill becomes law. If it is to be made into silver dollars, then we will have the peculiar situation that instead of the silver dollar situation as it existed at the time of the Pittman Act being restored, we will find ourselves with something like 19,000,000 more silver dollars

than we started with. If the silver purchased at $1 an ounce is to go into the subsidiary silver account, then we will carry silver which cost us $15,000,000 in a dead account until the requirements for coinage exhaust the subsidiary silver now in the Treasury and use up the silver bullion to be purchased at $1 an ounce.

As to the technical features of the Pittman Act, which it is stated justify the passage of the pending bill, it is sufficient to state that, in the opinion of the Treasury, and of the Comptroller General of the United States, with full knowledge of the facts, the action of the Treasury was justified under the law. If these legal opinions are wrong, then the proponents of the bill should go to court. A bonus of $5,000,000 to the silver producers for the acquisition by the Treasury of wholly unnecessary silver should not be compelled by Congress. As a matter of fact, if the Pittman Act had not provided for the repurchase of silver, no harm would have been done to the American silver producer. The emergency in India was purely a war emergency and had to be settled at once, if at all. Unless the American silver dollars had been available, no silver could have been found in the world to accomplish the purpose desired by Great Britain, because the producers in this country, did not have the silver and it was not available anywhere else in the world. Melting down the silver dollars, therefore, did not hurt the American silver producer. The requirement, however, that we repurchase silver at $1 an ounce has been of immense benefit to the American silver producer. Of course, the Treasury was able to purchase no silver at $1 an ounce when the market price was over that figure. but the silver producer took the

world's market. It was only when the price of silver dropped below $1 an ounce that the American silver producer tendered silver to the Treasury. This was in May, 1920, two years after the passage of the Pittman Act. In acquiring the silver which the Treasury has purchased in compliance with the Pittman Act, the Treasury has paid a total bonus to the American silver producers of approximately $58,169,950, representing the difference between the world market price of silver at the time of the purchases and $1 an ounce.